

1920

Expansion

Anonymous

Follow this and additional works at: https://egrove.olemiss.edu/dl_hs



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Haskins & Sells Bulletin, Vol. 03, no. 04 (1920 April), p. 52

This Article is brought to you for free and open access by the Deloitte Collection at eGrove. It has been accepted for inclusion in Haskins and Sells Publications by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

The above appears to cover the requirements of the problem. The accounts have been shown both in pesos and U. S. dollars. The trial balance has been shown in U. S. dollars only; first, because pesos have not been specified in the problem; second, because for the purpose of incorporating the entries in the New York books, U. S. dollars only are needed.

The trial balance is an elaboration of the account on the New York books entitled "Chilean Advances." What was originally one credit balance of \$120,000, becomes through the trial balance a number of debit accounts aggregating \$152,000 with credit accounts amounting to \$32,000. These accounts, when incorporated on the New York books, would take the place of the Chilean advances account.

One question might arise as to the treatment of the credit of \$22,000 shown in the trial balance as profit on exchange. While the profit is the result of closed transactions it is vested in a peso cash balance which, when disbursed, may be subject to a loss. The profit thus far built up would be subject to a reduction on account of the loss. The question which presents itself is whether or not the credit should be thrown into a reserve account until such time as the profit has been realized. Apparently it should not. Were such procedure to be followed it would be difficult to determine without extremely detailed accounting just when profits on exchange may be taken up. It might also indicate a principle to the effect that profits may not be taken up until the asset in which the profit is vested has been realized. Such is not the case ordinarily. To do so would violate the principle of accrual. There seems no good reason why such position should be taken here. The profit should be taken up in the period ended December 31, 1918. Any subsequent loss on the conversion of the cash balance should be charged against the year following.

Expansion

We have pleasure in announcing the acquisition, as of April 1, 1920, of the professional accounting practice of Mr. George R. Lamb, with offices in the First National Bank Building, Cincinnati, Ohio.

For the past seven years Mr. Lamb has been engaged in professional accounting in Cincinnati. He is a Certified Public Accountant of Ohio, a member of the Ohio Society of Certified Public Accountants and of the American Institute of Accountants.

Mr. Lamb will remain in Cincinnati as Manager. Mr. Charles R. Bowen, for many years connected with the New York office, has been appointed Associate Manager.

Our office at Shanghai was formally opened on April 1, 1920, at 131 Szechuen Road.

Effective May 1, 1920, we will open an office in Dallas, Texas, with Mr. Grover C. Bland as Manager. Mr. Harry A. Hall, now of the New York office, will be transferred to Dallas as Assistant Manager.

We have also in contemplation for the near future the opening of an office in Paris, France, and the appointment of Mr. H. P. Garner as Manager.

Mr. Garner was formerly a member of our New York staff, withdrawing in May, 1917, to enlist in the Depot Quartermaster's Department. He served in France with the American Expeditionary Forces, and was subsequently appointed to the United States Liquidation Commission. He re-entered our organization in March, 1920.

Plans for the opening of an office in Havana, Cuba, are also nearing completion.

Effective April 1, 1920, Messrs. L. E. Palmer and A. B. Foye have been appointed Assistant Managers of the New York office. The former will be in charge of reports; the latter in charge of tax accounting.